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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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Ex parte IKUO SAKAGUCHI

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Appeal 2008-1569
Application 09/838,185
Technology Center 3600

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Decided: May 27, 2008

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Before TERRY J. OWENS, ANTON W. FETTING, and
MICHAEL W. O'NEILL, *Administrative Patent Judges.*

FETTING, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF CASE

Ikuo Sakaguchi (Appellant) seeks review under 35 U.S.C. § 134 of a

final rejection of claim 8, the only claim pending in the application on

appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)

(2002).

We AFFIRM.

The Appellant invented a card utilization approval method, which upon an input of a card information of a settlement card such as a credit card or an IC card and a card authentication to a card authentication and settlement processing device, a mobile station of an owner of the settlement card is called by the card authentication and settlement processing device and a payment processing is performed in the card authentication and settlement processing device by a password or ID number assigned to the owner, which is inputted from the called mobile station (Specification 2:21 – 3:1). An understanding of the invention can be derived from a reading of exemplary claim 8, which is reproduced in the Analysis section below.

This appeal arises from the Examiner's final Rejection, mailed January 13, 2006. The Appellant filed an Appeal Brief in support of the appeal on September 12, 2006. An Examiner's Answer to the Appeal Brief was mailed on December 28, 2006[1].

PRIOR ART

The Examiner relies upon the following prior art:

Joao   US 5,878,337   Mar. 2, 1999

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[1] A replacement copy of the Examiner's Answer was mailed on June 19, 2007 after it was indicated that Appellant had not received the original copy mailed on December 28, 2006.

1 ## REJECTION

2   Claim 8 stands rejected under 35 U.S.C. § 102(b) as anticipated by Joao.

3 ## ISSUES

4   The issue pertinent to this appeal is whether the Appellant has sustained
5 its burden of showing that the Examiner erred in rejecting claim 8 under
6 35 U.S.C. § 102(b) as anticipated by Joao.

7   The pertinent issue turns on whether purchase transaction data is
8 transmitted before determining whether an account of the responsible card
9 holder can settle the purchase transaction.

10 ## FACTS PERTINENT TO THE ISSUES

11   The following enumerated Findings of Fact (FF) are believed to be
12 supported by a preponderance of the evidence.

13   *Facts Related to Claim Construction*

14   01.   The disclosure contains no lexicographic definition of "settle."

15   02.   The ordinary and customary meaning of "settle" within the
16   context of paying a debt is to pay.[2]

17   *Joao*

18   03.   Joao is directed to providing financial transaction authorization,
19   notification and/or security in conjunction with credit card, charge
20   card, debit card, and/or currency or smart card use, savings and/or

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[2] *American Heritage Dictionary of the English Language* (4th ed. 2000).

1   checking account activity and use and/or cellular telephone use

2   (Joao 3:62 – 4:2).

3   04.   Joao commences operation when a card, which is to be utilized

4   in a credit card, charge card, debit card, and/or currency or

5   "smart" card, or number corresponding thereto, transaction, is

6   offered at the point-of-sale or other appropriate location

7   whereupon the attendant or point-of-sale terminal operator will

8   activate the apparatus in any typical manner, such as by obtaining

9   a phone line and entering card information into the point-of-sale

10   terminal. Data entry may typically be performed by swiping the

11   magnetic strip of the card through a card reader of the point-of-

12   sale terminal. The information and/or data pertinent to the

13   transaction and the card is then transmitted to the central

14   processing computer (Joao 5:26-39).

15   05.   Joao then has the central processing computer process the

16   information and/or data pertinent to the transaction in conjunction

17   with the card account information in order to determine if the card

18   has been lost, stolen and/or cancelled and/or de-activated and test

19   whether the maximum credit, charge or debit account limit has

20   been exceeded and/or if the card has been depleted of its currency

21   value (Joao 5:40-51).

22   06.   Joao then has the central processing computer determine if the

23   card has been lost, stolen, and/or cancelled and/or de-activated

24   and/or if the credit, charge or debit account limit of the card has

1   been reached and/or exceeded and/or if the currency value of the

2   card has been depleted (Joao 5:52-57).

3   07.   Joao then has the central processing computer also perform a

4   test in order to determine if the predetermined maximum number

5   of unauthorized transactions have occurred on the account. If any

6   of the above listed conditions are found to exist (i.e. card is lost,

7   stolen, cancelled and/or de-activated, or credit, charge or debit

8   account limit has been reached or exceeded, currency value

9   depleted, or unauthorized transaction limit reached or exceeded),

10 the central processing computer may transmit a signal to the point-

11 of-sale terminal indicating that the transaction is not approved

12 and/or is not authorized. The point-of-sale terminal operator may

13 then cancel the transaction. The point-of-sale terminal operator

14 may then confiscate the card and/or alert the authorities (Joao

15 5:58-6:3).

16 08.   If, however, Joao's central processing computer should

17 determine that the card is not lost, stolen, cancelled or de-

18 activated, or that the credit, charge or debit account limit of the

19 card has not been reached or exceeded, or that the of unauthorized

20 transactions count has not reached a predefined limit, the central

21 processing computer may transmit a signal and/or data to the

22 communication device which is located with the cardholder. The

23 central processing computer may then also transmit respective

24 signals and/or data to any one or more of the cardholder's

25 designated fax machine, personal computer, telephone, telephone

answering machine, alternate telephone, alternate telephone
answering machine, network computer, and/or alternate beeper or
pager, either sequentially and/or simultaneously (Joao 6:4-18).

09.   If the cardholder does not reply to the central processing
computer within a pre-specified time, the central processing
computer may transmit a signal and/or data to the point-of-sale
terminal indicating that, with the exception of receiving the
authorization of the cardholder, the transaction is otherwise
approved. The central processing computer may also simply
transmit a signal indicating that the transaction is not authorized
and, therefore, should be cancelled or voided. The point-of-sale
terminal operator may then either proceed to complete the
transaction, try to obtain additional information from the
purchaser, or cancel the transaction (Joao 6:62 – 7:5).

<div align="center">PRINCIPLES OF LAW</div>

Claim Construction

During examination of a patent application, pending claims are
given their broadest reasonable construction consistent with the
specification. *In re Prater* , 415 F.2d 1393, 1404-05 (CCPA 1969);
In re Am. Acad. of Sci. Tech Ctr., 367 F.3d 1359, 1364, (Fed. Cir.
2004).

Limitations appearing in the specification but not recited in the claim are
not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364,
1369 (Fed. Cir. 2003) (claim must be interpreted "in view of the

1 specification" without importing limitations from the specification into the

2 claim unnecessarily)

3   Although a patent applicant is entitled to be his or her own lexicographer

4 of patent claim terms, in *ex parte* prosecution it must be within limits. *In re*

5 *Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing

6 such definitions in the Specification with sufficient clarity to provide a

7 person of ordinary skill in the art with clear and precise notice of the

8 meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480

9 (Fed. Cir. 1994) (although an inventor is free to define the specific terms

10 used to describe the invention, this must be done with reasonable clarity,

11 deliberateness, and precision; where an inventor chooses to give terms

12 uncommon meanings, the inventor must set out any uncommon definition in

13 some manner within the patent disclosure so as to give one of ordinary skill

14 in the art notice of the change).

15 *Anticipation*

16   "A claim is anticipated only if each and every element as set forth in the

17 claim is found, either expressly or inherently described, in a single prior art

18 reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628,

19 631 (Fed. Cir. 1987). "When a claim covers several structures or

20 compositions, either generically or as alternatives, the claim is deemed

21 anticipated if any of the structures or compositions within the scope of the

22 claim is known in the prior art." *Brown v. 3M*, 265 F.3d 1349, 1351 (Fed.

23 Cir. 2001). "The identical invention must be shown in as complete detail as

24 is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d

25 1226, 1236 (Fed. Cir. 1989). The elements must be arranged as required by

1   the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology

2   is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

3   ANALYSIS

4   *Claim 8 rejected under 35 U.S.C. § 102(b) as anticipated by Joao.*

5   Claim 8 is reproduced below [bracketed matter, including citations to

6   where the Examiner found support for the rejection, and some paragraphing

7   added].

8   8. A card utilization approval method, comprising in order the
9   steps of:

10   [1] during a purchase transaction at a point of sale using a card,

11   reading card information at a payment processing
12   terminal and

13   transmitting

14   the card information and

15   purchase transaction data

16   to a card authentication and settlement processing device;
17   [Joao 3:62 – 4:3, 31-35; 5:20-25]

18   [2] at the card authentication and settlement processing device,

19   determining

20   an identity of a responsible card holder and

21   a mobile device address of the responsible card
22   holder

23   based on the card information; [Joao 27:60-62; 32:39-49]

24   [3] before determining whether an account of the responsible
25   card holder can settle the purchase transaction,

26   transmitting the purchase transaction data

27   from the card authentication and settlement processing
28   device

1 to the mobile device address of the responsible card
2 holder; [Joao Abstract:1-11; 4:62 5:2; 6:4-43; 10:64 –
3 11:30]

4 [4] at the mobile device of the responsible card holder,

5 receiving the purchase transaction data,

6 determining whether to authorize the purchase
7 transaction, and

8 informing the card authentication and settlement
9 processing device of the determination whether to
10 authorize the purchase transaction; and [Joao 6:44-61]

11 [5] at the card authentication and settlement processing device,

12 if the purchase transaction is authorized by the mobile
13 device of the responsible card holder,

14 determining whether the account of the responsible
15 card holder can settle the purchase transaction, and

16 informing both

17 the mobile device of the responsible card
18 holder and

19 the payment processing terminal

20 whether the account of the responsible card holder
21 can settle the purchase transaction. [Joao 7:29-34;
22 8:19-22; 8:67 – 9:5]

23 The Appellant contends that Joao describes a system in which after (not

24 before) the determination is made whether the account of the responsible

25 card holder can settle the purchase transaction, the purchase transaction data

26 is sent to the responsible card holder (Br. 4:First full ¶). The Appellant

27 contends that Joao first determines whether a card has been lost, stolen,

28 cancelled or deactivated and it is only after this that Joao communicates with

29 the cardholder (Br. 4:Bottom ¶).

1   We disagree with the Appellant. We find the Appellant's argument is

2 not commensurate with the scope of claim 8.

3   We initially find that the Examiner is correct that the remaining

4 limitations of claim 8 are described by Joao (FF 03 - 08). Therefore the sole

5 issue before us is whether Joao fails to describe limitation [3], *viz.* before

6 determining whether an account of the responsible card holder can settle the

7 purchase transaction, transmitting the purchase transaction data from the

8 card authentication and settlement processing device to the mobile device

9 address of the responsible card holder.

10   The Specification does not provide a lexicographic definition of "settle"

11 but the usual and customary meaning of settle within the context of claim 8

12 is to pay (FF 01 & 02). Therefore, limitation [3] requires that the purchase

13 transaction must be transmitted to the cardholder before determining that the

14 responsible cardholder can pay the purchase transaction. Thus, the

15 limitation requires transmitting the data prior to determining the capacity to

16 pay. The claim provides no criteria for evaluating such a capacity. The

17 broadest reasonable interpretation of evaluating such capacity is to

18 determine both the objective constraints on the card and the cardholder's

19 constraints on the card. Only when all constraints have been evaluated

20 would it be known that the responsible cardholder can pay.

21   Joao describes requiring authorization by the cardholder after the

22 cardholder receives the transmission (FF 09). Absent such authorization, the

23 cardholder will not, and therefore cannot be expected to pay. In such an

24 instance, since the account cannot pay a transaction without the cardholder's

25 consent, it is unknown whether an account of the responsible card holder can

1 settle the purchase the purchase transaction, until after transmitting the

2 purchase transaction data from the card authentication and settlement

3 processing device to the mobile device address of the responsible card

4 holder to determine whether authorization is provided.

5   The Appellant argues that once Joao determines that the card is not lost

6 or stolen, such an evaluation has been made. But this criterion is not in

7 claim 8. As we found, no criteria for such evaluation is in claim 8. The

8 broadest reasonable interpretation for such criteria is therefore that all

9 criteria, including that provided by the cardholder, must be met for such an

10 evaluation. Joao makes its transmittal prior to this evaluation, as required by

11 limitation [3] of claim 8.

12   The Appellant has not sustained its burden of showing that the Examiner

13 erred in rejecting claim 8 under 35 U.S.C. § 102(b) as anticipated by Joao.

14   CONCLUSIONS OF LAW

15   The Appellant has not sustained its burden of showing that the Examiner

16 erred in rejecting claim 8 under 35 U.S.C. § 102(b) as anticipated by the

17 prior art.

18   On this record, the Appellant is not entitled to a patent containing claim

19 8.

20   DECISION

21   To summarize, our decision is as follows:

22 •   The rejection of claim 8 under 35 U.S.C. § 102(b) as anticipated by

23   Joao is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

<u>AFFIRMED</u>

vsh

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